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Recommendation Summary

Decision Packages

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Recommendation Summary

Budget Period:2005-07

Version: 31 - 05-07 Agency Req 2007 Sup wCB RPT

Dollars in Thousands	Program Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
Program 145 - Payment to Other Agencies					
M2 - Inflation and Other Rate Changes					
9F Federal Funding Adjustment	0	0.0	0	1,935	1,935
9T Transfers	0	0.0	1,498	673	2,171
NK SAO Revolving Fund Shortfall	0	0.0	108	44	152
	SubTotal M2	0.0	1,606	2,652	4,258
	Cumulative Total Thru M2	0.0	1,606	2,652	4,258
Total Proposed Budget for Program		0.0	1,606	2,652	4,258
145 - Payment to Other Agencies					

Department of Social and Health Services

DP Code/Title: M2-9F Federal Funding Adjustment

Program Level - 145 Payment to Other Agencies

Budget Period: 2005-07 Version: N3 145 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests an adjustment/redistribution to the current Federal Appropriation authority for the agency by program for State Fiscal Year 2007.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-2 General Fund - Basic Account-Federal	0	89,000	89,000
001-A General Fund - Basic Account-DSHS Fam Support/Chi	0	1,047,000	1,047,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	799,000	799,000
Total Cost	0	1,935,000	1,935,000

Staffing

Package Description:

DSHS requests an adjustment/redistribution to the current Federal Authority across various programs for SFY 2007.

Across the Department there is considerable disparity between the amount of federal funding that particular programs can earn and the amount of federal funds appropriated. This request is to reduce this disparity. The result would be a significant (\$19,981,000) reduction to Economic Services Administration's federal appropriation and smaller increases to the federal appropriations in the following programs - Children's Administration, Juvenile Rehabilitation Administration, Mental Health Division, Division of Developmental Disabilities, Division of Long Term Care, Division of Alcohol and Substance Abuse, and Payments to Other Agencies.

Narrative Justification and Impact Statement

How contributes to strategic plan:

This proposal supports the following DSHS Strategic Goal and Objective:

Strategic Goal: Reinforce Strong Management to Increase Public Trust

Strategic Objective: Improve financial planning and oversight.

Performance Measure Detail

Agency Level

Activity: N073 Payment to Other Agencies

No measures linked to package

Incremental Changes

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Reason for change:

This change is requested to better align federal appropriation authority for DSHS Programs with the ability of those Programs to earn federal funds.

Impact on clients and services:

Department of Social and Health Services

DP Code/Title: M2-9F Federal Funding Adjustment
Program Level - 145 Payment to Other Agencies

Budget Period: 2005-07 Version: N3 145 2005-07 Agency Request 2007 Sup

There will be no impact on clients or services provided by DSHS.

Impact on other state programs:

None

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

None

Budget impacts in future biennia:

There is no impact in future biennia.

Distinction between one-time and ongoing costs:

Not Applicable.

Effects of non-funding:

If a program overspends its SFY 2007 Federal Appropriation, those expenditures need to be moved to General-Fund State.

Expenditure Calculations and Assumptions:

Please see attached AW M2-9F Federal Funding Adjustment.xls.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
E Goods And Services	0	1,935,000	1,935,000

Department of Social and Health Services

DP Code/Title: M2-9F Federal Funding Adjustment
Program Level - 145 Payment to Other Agencies

Budget Period: 2005-07 Version: N3 145 2005-07 Agency Request 2007 Sup

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-2, General Fund - Basic Account-Federal				
<u>Sources</u>	<u>Title</u>			
001B	Social Security Disability Ins (100%)	0	31,000	31,000
E61L	Food Stamp Program (50%)	0	58,000	58,000
Total for Fund 001-2		0	89,000	89,000
Fund 001-A, General Fund - Basic Account-DSHS Fam Support/Chi				
<u>Sources</u>	<u>Title</u>			
563I	Title IV-D Child Support Enforcement (A) (66%)	0	136,000	136,000
658L	Title IV-E-Foster Care (50%)	0	831,000	831,000
659L	Title IV-E Adoption Assistance (50%)	0	80,000	80,000
Total for Fund 001-A		0	1,047,000	1,047,000
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources</u>	<u>Title</u>			
19UL	Title XIX Admin (50%)	0	799,000	799,000
Total for Fund 001-C		0	799,000	799,000
Total Overall Funding		0	1,935,000	1,935,000

2007 Supplemental Budget Request
AW M2-9F Federal Funding Adjustment.xls

RPT DATE	PRGM	FUND	APPN	TYPE	TYPE TITLE	BALANCE	PRGM TITLE	APPN TITLE
GENERAL FUND FEDERAL								
9/19/2006	20:18	010	001	TA1	2	Federal	Children's Administration	Children & Family Svs: Gf-Federal-Fy1
9/19/2006	20:18	020	001	TX1	2	Federal	Juvenile Rehabilitation Administration	Jr Community Services: Gf-Federal-Fy1
9/19/2006	20:18	030	001	UB1	2	Federal	Mental Health Division	MH Institutional: Gf-Federal-Fy1
9/19/2006	20:18	030	001	UF1	2	Federal	Mental Health Division	MH Program Support: Gf-Federal-Fy1
9/19/2006	20:18	040	001	UM1	2	Federal	Division of Developmental Disabilities	DD Community: Gf-Federal-Fy1
9/19/2006	20:18	040	001	UN1	2	Federal	Division of Developmental Disabilities	Dd-Institutional: Gf-Federal-Fy1
9/19/2006	20:18	040	001	UP1	2	Federal	Division of Developmental Disabilities	Dd-Program Support: Gf-Federal-Fy1
9/19/2006	20:18	050	001	VA1	2	Federal	Division of Long-Term Care	Aging Adult Svs: Gf-Federal-Fy1
9/19/2006	20:18	070	001	WA1	2	Federal	Division of Alcohol and Substance Abuse	Alcohol/Substance Abuse: Gf-Fed-Fy1
9/19/2006	20:18	145	001	YM1	2	Federal	Payments to Other Agencies	Payments to Other Agencies: Gf-Fed-Fy1
							(3,150,187.99)	
							(850,719.17)	
							(597,878.81)	
							(600,543.75)	
							(3,984,419.68)	
							(4,476,231.87)	
							(472,434.04)	
							(216,562.28)	
							(3,697,069.25)	
							(1,935,420.98)	
							(3,150,000)	
							(851,000)	
							(598,000)	
							(601,000)	
							(3,984,000)	
							(4,476,000)	
							(472,000)	
							(217,000)	
							(3,697,000)	
							(1,935,000)	
							(19,981,000)	
							19,981,000	
							Adjustment	
							- Balance	

Department of Social and Health Services

DP Code/Title: M2-9T Transfers

Program Level - 145 Payment to Other Agencies

Budget Period: 2005-07 Version: N3 145 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) is requesting transfers between programs that net to zero for the agency in Fiscal Year (FY) 2007.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	1,498,000	1,498,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	673,000	673,000
Total Cost	0	2,171,000	2,171,000

Staffing

Package Description:

DSHS is requesting internal transfers among several program budgets resulting in a net zero funding change for the department. In order to align program appropriations with planned expenditures in FY2007, adjustments are required in the following areas:

DSHS management has redistributed a reduction of 5.4 FTEs and \$298,000 in FY2007 due to the Middle Management Reduction for Mental Health Division (MHD) headquarters to other DSHS programs. This action is in response to new MHD mandates to develop more efficient and effective methods for serving persons with mental illness that have increased oversight and accountability demands on MHD headquarters staff.

DSHS management has redistributed (\$5,701,000) of the SmartBuy reduction in FY2007 from the Administrative & Supporting Services program to Children's Administration (CA), Juvenile Rehabilitation Administration (JRA), MHD, Division of Developmental Disabilities (DDD), Long Term Care (LTC), Economic Services Administration (ESA), Division of Alcohol and Substance Abuse (DASA), Medical Assistance Administration (MAA), Division of Vocation Rehabilitation (DVR), and Information Systems Services Division (ISSD) to align funding reductions across the agency.

DDD is transferring \$1,300,000 GF-S in FY2007 to ESA to support the ability of the Department in meeting the Social Security Income State Supplemental Payment (SSI/SSP) Maintenance of Effort (MOE). DDD has reached the eligible capacity of expenditures within the program. This transfer reflects the unused allotment within DDD provided in the 2005-07 Biennium, and supports the department requirement to meet an MOE level of spending each calendar year to ensure continued Medicaid funding.

DSHS management has redistributed \$68,000 of the ISSD Pension Plan 1 dollars in FY2007 from the Administrative & Supporting Services program to CA, JRA, MHD, DDD, LTC, ESA, MAA, and DVR to align funding across the agency.

Transfer of the Central Services funding of \$2,171,000 in FY2007 from the Administrative and Support Services program to Payments to Other Agencies.

Administration and Support Services is requesting an internal program transfer to reorganize the central risk management functions under the newly created Chief Risk Officer. This transfer is 2.0 FTEs and \$125,000 per year between budget units in Program 110.

Department of Social and Health Services

DP Code/Title: M2-9T Transfers
Program Level - 145 Payment to Other Agencies

Budget Period: 2005-07 Version: N3 145 2005-07 Agency Request 2007 Sup

Narrative Justification and Impact Statement

How contributes to strategic plan:

Improve the ability of state government to achieve results efficiently and effectively.

Performance Measure Detail

Agency Level

Activity: N073 Payment to Other Agencies

No measures linked to package

Incremental Changes

FY 1

FY 2

0.00

0.00

Reason for change:

Changes to FY2007 will align budgets with planned expenditures.

Impact on clients and services:

None

Impact on other state programs:

None

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

None

Budget impacts in future biennia:

All costs are ongoing.

Distinction between one-time and ongoing costs:

No one-time costs.

Effects of non-funding:

DSHS will continue to spend differently than appropriated in the affected programs.

Expenditure Calculations and Assumptions:

See attachment 'AW M2-9T Transfers.xls'.

State of Washington
Decision Package
Department of Social and Health Services

FINAL

DP Code/Title: M2-9T Transfers
Program Level - 145 Payment to Other Agencies

Budget Period: 2005-07 Version: N3 145 2005-07 Agency Request 2007 Sup

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
E Goods And Services	0	2,171,000	2,171,000

DSHS Source Code Detail

Overall Funding	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources</u> <u>Title</u>			
0011 General Fund State	0	1,498,000	1,498,000
<i>Total for Fund 001-1</i>	<u>0</u>	<u>1,498,000</u>	<u>1,498,000</u>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa			
<u>Sources</u> <u>Title</u>			
19UL Title XIX Admin (50%)	0	673,000	673,000
<i>Total for Fund 001-C</i>	<u>0</u>	<u>673,000</u>	<u>673,000</u>
Total Overall Funding	<u>0</u>	<u>2,171,000</u>	<u>2,171,000</u>

**2007 Supplemental
M2-9T Transfers**

AW M2-9T Transfers

	Program	FTEs FY07	FY2007 FUNDS			
			State	489-1	Other	Total
010	Middle Management Reduction from MHD	(0.6)	(19,000)		(14,000)	(33,000)
	SmartBuy		(755,000)			(755,000)
	ISSD Pension Rate Redistribution			12,000	2,000	14,000
	010 Total	(0.6)	(774,000)	12,000	(12,000)	(774,000)
020	Middle Management Reduction from MHD	(0.3)	(10,000)		(7,000)	(17,000)
	SmartBuy		(467,000)			(467,000)
	ISSD Pension Rate Redistribution			2,000	0	2,000
	020 Total	(0.3)	(477,000)	2,000	(7,000)	(482,000)
030	Middle Management Reduction from MHD	5.4	176,000		122,000	298,000
	SmartBuy		(1,037,000)			(1,037,000)
	ISSD Pension Rate Redistribution			2,000	0	2,000
	030 Total	5.4	(861,000)	2,000	122,000	(737,000)
040	Middle Management Reduction from MHD	(0.5)	(17,000)		(11,000)	(28,000)
	SSP MOE Transfer		(1,300,000)			(1,300,000)
	SmartBuy		(1,046,000)			(1,046,000)
	ISSD Pension Rate Redistribution			2,000	1,000	3,000
	040 Total	(0.5)	(2,363,000)	2,000	(10,000)	(2,371,000)
050	Middle Management Reduction from MHD	(0.7)	(23,000)		(16,000)	(39,000)
	SmartBuy		(379,000)			(379,000)
	ISSD Pension Rate Redistribution			2,000	2,000	4,000
	050 Total	(0.7)	(402,000)	2,000	(14,000)	(414,000)
060	Middle Management Reduction from MHD	(1.0)	(31,000)		(21,000)	(52,000)
	SSP MOE Transfer		1,300,000			1,300,000
	SmartBuy		(1,519,000)			(1,519,000)
	ISSD Pension Rate Redistribution			31,000	9,000	40,000
	060 Total	(1.0)	(250,000)	31,000	(12,000)	(231,000)
070	Middle Management Reduction from MHD	(0.2)	(6,000)		(5,000)	(11,000)
	SmartBuy		(49,000)	0		(49,000)
	ISSD Pension Rate Redistribution			0		0
	070 Total	(0.2)	(55,000)	0	(5,000)	(60,000)
080	Middle Management Reduction from MHD	(1.0)	(36,000)		(25,000)	(61,000)
	SmartBuy		(370,000)			(370,000)
	ISSD Pension Rate Redistribution			1,000	0	1,000
	080 Total	(1.0)	(406,000)	1,000	(25,000)	(430,000)
100	Middle Management Reduction from MHD	(0.1)	(4,000)		(2,000)	(6,000)
	SmartBuy		(79,000)			(79,000)
	ISSD Pension Rate Redistribution			2,000	0	2,000
	100 Total	(0.1)	(83,000)	2,000	(2,000)	(83,000)
110	Middle Management Reduction from MHD	(1.0)	(30,000)		(21,000)	(51,000)
	Central Services Transfer		(1,498,000)		(673,000)	(2,171,000)
	SmartBuy		5,701,000			5,701,000
	ISSD Pension Rate Redistribution			(54,000)	(14,000)	(68,000)
	110 Total	(1.0)	4,173,000	(54,000)	(708,000)	3,411,000
145	Central Services Transfer	0.0	1,498,000		673,000	2,171,000
	145 Total	0.0	1,498,000	0	673,000	2,171,000
150	SmartBuy	0.0	0	0		0
	150 Total	0.0	0	0	0	0
Agency-Wide:		(0.0)	0	0	0	0
			0	0	0	0

There are multiple components to ML-9T Transfers:

Middle Management Reduction Redistribution of MHD Category 9000 (010, 020, 030, 040, 050, 060, 070, 080, 100, 110)

SSP MOE Transfer (040, 060)

SmartBuy (110 to 010, 020, 030, 040, 050, 060, 070, 080, 100, 150)

Central Services (110 to 145)

ISSD Pension Rate Plan 1 Redistribution (110 to 010, 020, 030, 040, 050, 060, 080, 100)

Department of Social and Health Services

DP Code/Title: M2-NK SAO Revolving Fund Shortfall

Program Level - 145 Payment to Other Agencies

Budget Period: 2005-07 Version: N3 145 2005-07 Agency Request 2007 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests \$152,000 beginning July 1, 2006 to cover increased billings from the State Auditors Office (SAO) due to workload increase in the 2005-07 biennium.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	108,000	108,000
001-2 General Fund - Basic Account-Federal	0	7,000	7,000
001-A General Fund - Basic Account-DSHS Fam Support/Chi	0	15,000	15,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	22,000	22,000
Total Cost	0	152,000	152,000

Staffing

Package Description:

DSHS requests \$152,000 in Fiscal Year (FY) 2007 for the increased level of services provided by the SAO.

The SAO, in consultation with the audit managers responsible for the DSHS audit work, estimated that the total charges for services in State Fiscal Year 2007 will be \$1,435,000. The current funding level for State Fiscal Year 2007 is only \$1,283,000, resulting in the need for additional funding in the amount of \$152,000.

SAO is expecting to expend approximately 4,400 more hours on the DSHS audit for the 2005-07 biennium than originally planned when their estimate was provided to the Office of Financial Management (OFM) in August 2004.

An estimated 40% of the increase is due to increased Statewide Single Audits (SWSA). Increased workload due to the Medicaid program accounts for an additional 30% and the final 30% is due to increased statutory audit work based on the risk of DSHS.

Narrative Justification and Impact Statement

How contributes to strategic plan:

Priority of Government (POG) - Improve the ability of state government to achieve results efficiently and effectively.

DSHS Goal G: Reinforce strong management to increase public trust.

Performance Measure Detail

Agency Level

Activity: **N073 Payment to Other Agencies**

No measures linked to package

Incremental Changes

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Reason for change:

This change is a result of an increase in the level of services being provided to DSHS by the SAO.

Department of Social and Health Services

DP Code/Title: M2-NK SAO Revolving Fund Shortfall

Program Level - 145 Payment to Other Agencies

Budget Period: 2005-07 Version: N3 145 2005-07 Agency Request 2007 Sup

Impact on clients and services:

This funding will allow the department to maintain the current level of services, which was confirmed by the SAO.

Impact on other state programs:

All DSHS programs receive services provided by the SAO.

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

The department has no alternative for obtaining the services provided by the SAO.

Budget impacts in future biennia:

These costs will continue in future biennia.

Distinction between one-time and ongoing costs:

This is an ongoing cost.

Effects of non-funding:

If additional funding is not provided, then auditor services would have to be curtailed.

Expenditure Calculations and Assumptions:

Estimated FY07 expenditures: \$1,435,000

Current funding level: \$1,283,000

Increased Costs: \$152,000

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
E Goods And Services	0	152,000	152,000

Department of Social and Health Services

DP Code/Title: M2-NK SAO Revolving Fund Shortfall

Program Level - 145 Payment to Other Agencies

Budget Period: 2005-07 Version: N3 145 2005-07 Agency Request 2007 Sup

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	0	108,000	108,000
<i>Total for Fund 001-1</i>		<u>0</u>	<u>108,000</u>	<u>108,000</u>
Fund 001-2, General Fund - Basic Account-Federal				
<u>Sources</u>	<u>Title</u>			
001B	Social Security Disability Ins (100%)	0	3,000	3,000
E61L	Food Stamp Program (50%)	0	4,000	4,000
<i>Total for Fund 001-2</i>		<u>0</u>	<u>7,000</u>	<u>7,000</u>
Fund 001-A, General Fund - Basic Account-DSHS Fam Support/Chi				
<u>Sources</u>	<u>Title</u>			
563I	Title IV-D Child Support Enforcement (A) (66%)	0	8,000	8,000
658L	Title IV-E-Foster Care (50%)	0	6,000	6,000
659L	Title IV-E Adoption Assistance (50%)	0	1,000	1,000
<i>Total for Fund 001-A</i>		<u>0</u>	<u>15,000</u>	<u>15,000</u>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources</u>	<u>Title</u>			
19UL	Title XIX Admin (50%)	0	22,000	22,000
<i>Total for Fund 001-C</i>		<u>0</u>	<u>22,000</u>	<u>22,000</u>
Total Overall Funding		<u>0</u>	<u>152,000</u>	<u>152,000</u>